

## FREQUENTLY ASKED QUESTIONS (FAQs)

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Regulation: Bank Indonesia Regulation Number 10/29/PBI/2008 dated 14<sup>th</sup> November 2008 concerning Intraday Liquidity Facility for Commercial Bank

Valid : 14<sup>th</sup> November 2008

1. What is the objective of Intraday Liquidity Facility (FLI) provision?

Answer:

- a. to avoid the occurrence of gridlock in payment system within BI-RTGS System, which may jeopardize financial system stability, and
- b. to anticipate possibility of Bank failure in meeting its obligations as a participant in Bank Indonesia national clearing system and final of debit clearing.

2. What are the requirements to be met by Bank to obtain FLI?

Answer:

- a. to sign Agreement of FLI Use and to submit supporting documents required;
- b. to hold securities which may be repoed to Bank Indonesia in the form of Bank Indonesia Certificate (SBI) and/or Government Bond (SUN)
- c. not being suspended as participant Bank of BI-RTGS system and/or terminated as participant Bank in clearing system and
- d. being an active participant of BI-SSSS

3. How is the process to obtain FLI?

Answer:

The process to obtain FLI is through BI-SSSS:

- a. For FLI-RTGS, Bank is to transfer the securities to the account of FLI-RTGS in BI-SSSS during the operational hours of BI-RTGS System;
- b. For FLI-Kliring, Bank is to transfer the securities to the account of FLI-Kliring in BI-SSSS in the framework of prefund provision.

4. What is the FLI value which may be used by Bank?

Answer:

Maximum value of FLI which may be used by Bank is the same as the securities value (SBI and/or SUN) which has been transferred by Bank to the accounts of FLI-RTGS and FLI-Kliring in BI-SSSS.

5. How is the process in using FLI?

Answer:

- a. The use of FLI-RTGS is to be performed automatically when the balance of Rupiah demand deposit account of Bank in Bank Indonesia is insufficient for making outgoing transaction.
- b. The use of FLI-Kliring is to be performed automatically when the balance of Rupiah demand deposit account of Bank in Bank Indonesia is insufficient to cover the obligations of Bank on final of Debit Clearing.

- c. The use of FLI-RTGS and FLI-Kliring is respectively performed based on the sufficiency of securities value for FLI which is available in the accounts of FLI-RTGS and FLI-Kliring.

6. How is the FLI finalization process?

Answer:

FLI finalization is to be performed automatically by BI-RTGS System for every incoming transaction which credit the Rupiah demand deposit account of relevant Bank in Bank Indonesia until the end of FLI deadline.

7. How is the treatment to FLI which is unable to be finalized by Bank until the determined deadline?

The value of FLI which is unfinalized is to be put into effect as repurchase agreement (repo) transaction with Bank Indonesia for a maturity of 1 (one) day.